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November 20, 1997

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
The Mercury Building  
1925 K Street, NW  
Room 704  
Washington, D. C. 20423

RECORDATION NO. 21015 FILED

NOV 21 '97 2-31 PM

Dear Mr. Williams:

In accordance with 49 U.S.C. §11301, we submit herewith for recording with the Surface Transportation Board original counterparts of the document described below.

This document is a Memorandum of Mortgage and Security Agreement, a "primary document", dated as of September 1, 1997.

The names and addresses of the parties to the primary document are as follows:

MORTGAGOR: FCNBD Leasing II, Inc.  
1000 Canterra Tower  
400 Third Avenue, S.W.  
Calgary, Alberta T2P 4H2

MORTGAGEE: Canadian National Railway Company  
935 de La Gauchetiere Street West  
Montreal, Quebec H3B 2M9

The equipment covered by the document consists of 80 GE model Dash 9-44CW diesel-electric locomotives constructed by General Electric Canada Inc. marked with serial numbers 50302 through 50381,

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

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*Jennifer Curran*

and bearing the road numbers of Canadian National Railway Company 2523 through 2602.

The recordation fee of \$22.00 is enclosed. After recordation, please return the counterparts not needed by the Board, stamped with the recordation data, to Charles A. Spitulnik of Hopkins & Sutter, 888 16th Street Northwest, Washington, D.C. 20006.

A short summary of the document for use in the index follows:

Memorandum of Mortgage and Security Agreement dated as of September 1, 1997, between FCNBD Leasing II, Inc., as mortgagor, and Canadian National Railway Company, as mortgagee, covering 80 locomotives.

Please acknowledge receipt on the enclosed copy of this letter.

Very truly yours,

A handwritten signature in cursive script, appearing to read "John Park".

John Park

Encl.

MEMORANDUM OF MORTGAGE AND SECURITY AGREEMENT dated as of September 1, 1997, between FCNBD LEASING II, INC., a corporation incorporated under the laws of Alberta (hereinafter called the **Mortgagor**), and CANADIAN NATIONAL RAILWAY COMPANY, a corporation continued under the laws of Canada (hereinafter called the **Mortgagee**).

WHEREAS the Mortgagor and the Mortgagee are entering into that certain Mortgage and Security Agreement dated as of the date hereof (hereinafter called the **Mortgage**), pursuant to which the Mortgagor grants to the Mortgagee a mortgage, charge, hypothecation, security interest and assignment on, against, in and of all of the Mortgagor's right, title and interest in and to the railroad equipment described in Schedule A hereto and in supplements to the Mortgage executed and delivered from time to time, additions now or hereafter made or affixed thereto, all right title and interest of the Mortgagor in certain warranties, contracts and other agreements, and all substitutions and replacements of the property described above and all cash and noncash proceeds therefrom;

junior and subject and subordinate to the security granted by the Mortgagor under the Trust Indenture and Security Agreement (CN 1997-2) dated as of September 1, 1997 between the Owner and The First National Bank of Maryland for so long as such security has not been discharged.

This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, all of which together shall constitute a single agreement.

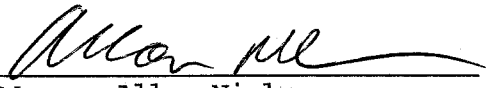
RECORDATION NO. 21015 FILED

NOV 21 '97

2- 31 PM

IN WITNESS WHEREOF, the parties wish to show for the public record the mortgage and security interest in the aforesaid property in favor of the Mortgagee, and accordingly have caused this summary to be executed by their respective officers thereunto duly authorized, as of the date first above written.

FCNBD LEASING II, INC.

by   
Name: Allan Nielsen  
Title: Secretary

CANADIAN NATIONAL RAILWAY COMPANY

by \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the parties wish to show for the public record the mortgage and security interest in the aforesaid property in favor of the Mortgagee, and accordingly have caused this summary to be executed by their respective officers thereunto duly authorized, as of the date first above written.

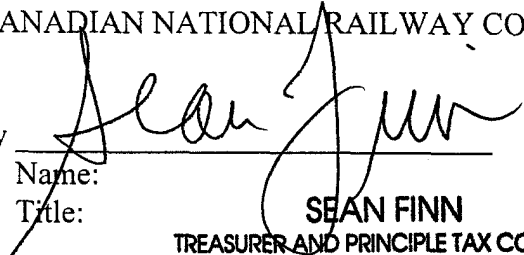
FCNBD LEASING II, INC.

by \_\_\_\_\_

Name:

Title:

CANADIAN NATIONAL RAILWAY COMPANY

by  \_\_\_\_\_

Name:

Title:

**SEAN FINN**

**TREASURER AND PRINCIPLE TAX COUNSEL**

PROVINCE OF QUEBEC )  
 )  
DISTRICT OF MONTREAL )

On this 19th day of November, 1997, before me personally appeared Sean Finn, to me personally known, who, being by me duly sworn, says that he is \* of CANADIAN NATIONAL RAILWAY COMPANY, that the foregoing instrument was signed on behalf of said company on such day by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company. \* Treasurer's Principal Tax Counsel

Guenier  
Commissioner for Oaths  
Attorney

[Commissioner's Seal]

My commission expires

PROVINCE OF ALBERTA )  
 )  
CITY OF )

On this \_\_\_\_ day of November, 1997, before me personally appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, says that he is \_\_\_\_\_ of FCNBD LEASING II, INC., that the foregoing instrument was signed on behalf of said company on such day by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

\_\_\_\_\_  
Notary Public

[Notarial Seal]

My commission expires

PROVINCE OF QUEBEC           )  
  )  
DISTRICT OF MONTREAL        )

On this \_\_\_\_ day of November, 1997, before me personally appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, says that he is \_\_\_\_\_ of CANADIAN NATIONAL RAILWAY COMPANY, that the foregoing instrument was signed on behalf of said company on such day by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

\_\_\_\_\_  
Commissioner for Oaths

[Commissioner's Seal]

My commission expires

PROVINCE OF ALBERTA        )  
  )  
CITY OF CALGARY            )

On this 19<sup>th</sup> day of November, 1997, before me personally appeared ALLAN NIELSEN, to me personally known, who, being by me duly sworn, says that he is Secretary of FCNBD LEASING II, INC., that the foregoing instrument was signed on behalf of said company on such day by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

  
\_\_\_\_\_  
Notary Public  
(KEITH CHATWIN)

[Notarial Seal]

My commission expires

## SCHEDULE A

### EQUIPMENT

Eighty GE model Dash 9-44CW diesel-electric locomotives constructed by General Electric Canada Inc. marked with serial numbers 50302 through 50381, and bearing the road numbers of Canadian National Railway Company 2523 through 2602.